

Message Text

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PAGE 01 STATE 054264
ORIGIN FAA-00

INFO OCT-01 EA-12 ISO-00 EB-08 DOTE-00 /021 R

DRAFTED BY FAA/AIA-220:SFINK
APPROVED BY EB/OA/AVP:AJWHITE
EB/OA/AVP:JSGRAVATT
EA/K:BPORTER(INFO.)

-----098977 030501Z /21

P 030105Z MAR 78
FM SECSTATE WASHDC
TO AMEMBASSY SEOUL PRIORITY

UNCLAS STATE 054264

E.O. 11652: N/A

TAGS: EAIR, KS

SUBJECT: KCAB BID ESTIMATES

REF: A) SEOUL 1389 B) STATE 030574

PLEASE PASS FOLLOWING TO MR. JIN HWAN SUH OF KCAB:

1. THE FOLLOWING SUPPLEMENTS INFORMATION PROVIDED BY FAA IN REF. B AND PROVIDES SOME OF THE RATIONALE AS TO WHY FAA NOW CONSIDERS THE ORIGINAL ESTIMATES TO BE INADEQUATE.
2. THE ORIGINAL 1974 ESTIMATES WERE BASED ON FAA DOMESTIC SYSTEM PROCUREMENT CONTRACTS FOR ELECTRONIC EQUIPMENT AND/OR SYSTEMS THAT WERE EITHER IN PRODUCTION OR OTHERWISE AVAILABLE AT THAT TIME. WHERE FAA QUANTITY PROCUREMENT CONTRACTS FOR A GIVEN ITEM WERE FORECAST TO BE ACTIVE AT THE TIME KCAB BIDS WERE TO BE SOLICITED, RESULTANT SAVINGS WHICH MIGHT REASONABLY BE ANTICIPATED TO BE REALIZED BY KCAB WERE TAKEN INTO ACCOUNT. THE DATA WAS ADAPTED TO THE UNCLASSIFIED

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PRELIMINARY KIMPO REQUIREMENT FOR SIMILAR SYSTEMS TO BE FURNISHED ON A TURN-KEY BASIS, INSTALLED IN KOREA UTILIZING A SINGLE SYSTEMS CONTRACTOR.

3. 1974 ESTIMATES WERE NOT UPDATED EXCEPT FOR A 1976

ROUGH RECOMPUTATION USING A GENERAL OVERALL PRICE LEVEL

ADJUSTMENT FACTOR. AS STATED IN REF. B, FAA HAS EXPERIENCED SUBSTANTIAL INCREASES DURING PAST SEVERAL YEARS. IN SOME CASES, INCREASES IN EXCESS OF 100 PERCENT CAN BE ATTRIBUTED PARTIALLY TO WORLD WIDE FUEL/ENERGY COST INCREASES.

4. ADDITIONAL FACTORS NOT INCLUDED IN ORIGINAL ESTIMATES WHICH NOW MUST BE CONSIDERED ARE DUPLICATION OF COST AND EFFORT DUE TO SEVERAL CONTRACTORS VERSUS ONE CONTRACTOR, IN-COUNTRY INTEGRATION COSTS, FLIGHT INSPECTION, ETC.

5. REGARDING REF. A, PARA. 3, ARTICLE V1 OF MEMORANDUM OF AGREEMENT W.O. 1-170, REQUIRES KCAB TO ESTABLISH APPROPRIATE LETTER OF CREDIT IN FAVOR OF FAA. DUE TO SHORT TIME FACTOR AND IMMINENT TECHNICAL EVALUATION OF PROPOSALS, FAA SUGGESTS KCAB ARRANGE FOR PROMPT ESTABLISHMENT OF LETTER OF CREDIT FOR SERVICES TO BE RENDERED DURING TECHNICAL EVALUATION. THE FOREGOING WOULD PERMIT FAA TO PROCEED WITH PROJECT AFTER FAA AND KCAB HAVE COORDINATED AND ESTABLISHED THE ACTUAL TIME FRAME FOR TECHNICAL EVALUATION OF PROPOSALS. PLEASE ADVISE STATUS BY AMEMBASSY MESSAGE. CHRISTOPHER

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Message Attributes

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Channel Indicators: n/a
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Draft Date: 03 mar 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: n/a
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Disposition Comment:
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Disposition Event:
Disposition History: n/a
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TAGS: EAIR, KS, US
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